

111TH CONGRESS  
2D SESSION

# S. 2967

To amend the Internal Revenue Code of 1986 to provide a refundable credit for small business job growth, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 28, 2010

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a refundable credit for small business job growth, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Boosting Entrepreneurship and New Jobs Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Refundable tax credit for new hires by small businesses.
- Sec. 3. Credit for employee health insurance expenses of small businesses.
- Sec. 4. Surcharge on high income individuals.
- Sec. 5. Direct loans to small business concerns.

- Sec. 6. Extramural research and development budget of the National Institutes of Health.
- Sec. 7. Section 7(a) business loans.
- Sec. 8. Microloan program.
- Sec. 9. Maximum loan amounts under 504 program.
- Sec. 10. Sense of Congress regarding cabinet level status for the Administrator of the Small Business Administration.
- Sec. 11. Sense of Congress regarding financial support for small businesses by certain financial institutions.

1 **SEC. 2. REFUNDABLE TAX CREDIT FOR NEW HIRES BY**  
 2 **SMALL BUSINESSES.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-  
 4 chapter A of chapter 1 of the Internal Revenue Code of  
 5 1986 (relating to refundable credits) is amended by insert-  
 6 ing after section 36A the following new section:

7 **“SEC. 36B. NEW HIRES BY SMALL BUSINESSES.**

8 “(a) DETERMINATION OF AMOUNT.—There shall be  
 9 allowed as a credit against the tax imposed by this subtitle  
 10 for the taxable year an amount equal to 15 percent of the  
 11 qualified first-year wages for such year.

12 “(b) QUALIFIED WAGES DEFINED.—For purposes of  
 13 this section—

14 “(1) IN GENERAL.—The term ‘qualified wages’  
 15 means the wages paid or incurred by a qualified  
 16 small business during the taxable year to an indi-  
 17 vidual who is a qualified small business employee.

18 “(2) QUALIFIED FIRST-YEAR WAGES.—The  
 19 term ‘qualified first-year wages’ means, with respect  
 20 to a qualified small business employee, qualified  
 21 wages attributable to service rendered during the 1-

1 year period beginning with the day the individual be-  
2 gins work for the employer.

3 “(3) ONLY FIRST \$20,000 OF WAGES TAKEN  
4 INTO ACCOUNT.—The amount of the qualified first-  
5 year wages which may be taken into account with re-  
6 spect to any individual shall not exceed \$20,000.

7 “(4) WAGES.—

8 “(A) IN GENERAL.—The term ‘wages’ has  
9 the meaning given such term by section 51(e).

10 “(B) SPECIAL RULES FOR AGRICULTURAL  
11 AND RAILWAY LABOR.—If such individual is an  
12 employee to whom subparagraph (A) or (B) of  
13 section 51(h)(1) applies, rules similar to the  
14 rules of such subparagraphs shall apply except  
15 that—

16 “(i) such subparagraph (A) shall be  
17 applied by substituting ‘\$20,000’ for  
18 ‘\$6,000’, and

19 “(ii) such subparagraph (B) shall be  
20 applied by substituting ‘\$1,666.66’ for  
21 ‘\$500’.

22 “(c) QUALIFIED SMALL BUSINESS EMPLOYEE.—For  
23 purposes of this section—

24 “(1) IN GENERAL.—The term ‘qualified small  
25 business employee’ means—

1           “(A) an individual hired by a qualified  
2           small business who is not an employee within  
3           the meaning of section 401(c)(1), or

4           “(B) a part-time employee promoted to  
5           full-time employee status (within the meaning  
6           of section 44(b)) by such business.

7           “(2) QUALIFIED SMALL BUSINESS.—The term  
8           ‘qualified small business’ has the meaning given the  
9           term ‘small employer’ by section 4980D(d)(2), deter-  
10          mined by substituting ‘25 employees’ for ‘50 employ-  
11          ees’.

12          “(d) MAINTENANCE OF WORKFORCE.—No credit  
13          under this section shall be allowed to any employer for  
14          any taxable year if the total number of employees of such  
15          employer during any quarter of such taxable year is less  
16          than the total number of such employees during the cor-  
17          responding quarter in the preceding taxable year.

18          “(e) CERTAIN RULES TO APPLY.—Rules similar to  
19          the rules of section 52, and subsections (d)(11), (f), (g),  
20          (i)(1), (i)(2) (except in the case of an employee described  
21          in subsection (c)(1)(B)), (j), and (k) of section 51, shall  
22          apply for purposes of this section.

23          “(f) REGULATIONS.—The Secretary shall prescribe  
24          such regulations and guidance as are necessary to carry  
25          out the purposes of this section, including procedures for

1 the quarterly payment of the credit allowed under this sec-  
2 tion.

3 “(g) TERMINATION.—This section shall not apply to  
4 individuals who begin work for the employer after the date  
5 which is 3 years after the date of the enactment of this  
6 section.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Paragraph (2) of section 1324(b) of title  
9 31, United States Code, is amended by inserting  
10 “36B,” after “36A,”.

11 (2) The table of sections for subpart C of part  
12 IV of subchapter A of chapter 1 of the Internal Rev-  
13 enue Code of 1986 is amended by inserting before  
14 the item relating to section 37 the following new  
15 item:

“Sec. 36B. Initial hires by small businesses.”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to individuals who begin work for  
18 the employer after the date of the enactment of this Act.

19 **SEC. 3. CREDIT FOR EMPLOYEE HEALTH INSURANCE EX-**  
20 **PENSES OF SMALL BUSINESSES.**

21 (a) IN GENERAL.—Subpart D of part IV of sub-  
22 chapter A of chapter 1 of the Internal Revenue Code of  
23 1986 (relating to business-related credits) is amended by  
24 inserting after section 45Q the following:

1 **“SEC. 45R. EMPLOYEE HEALTH INSURANCE EXPENSES OF**  
2 **SMALL EMPLOYERS.**

3 “(a) GENERAL RULE.—For purposes of section 38,  
4 in the case of an eligible small employer, the small em-  
5 ployer health insurance credit determined under this sec-  
6 tion for any taxable year is the amount determined under  
7 subsection (b).

8 “(b) HEALTH INSURANCE CREDIT AMOUNT.—Sub-  
9 ject to subsection (c), the amount determined under this  
10 subsection with respect to any eligible small employer is  
11 equal to 35 percent (25 percent in the case of a tax-exempt  
12 eligible small employer) of the aggregate amount of non-  
13 elective contributions the employer made on behalf of its  
14 employees during the taxable year under the arrangement  
15 described in subsection (d)(4) for premiums paid for  
16 health insurance coverage (within the meaning of section  
17 9832(b)(1)) of such employees if each employee taken into  
18 account under paragraph (1) had enrolled in such cov-  
19 erage which had a premium equal to the average premium  
20 (as determined by the Secretary of Health and Human  
21 Services) for the small group market in the State in which  
22 the employer is offering health insurance coverage (or for  
23 such area within the State as is specified by the Sec-  
24 retary).

25 “(c) PHASEOUT OF CREDIT AMOUNT BASED ON  
26 NUMBER OF EMPLOYEES AND AVERAGE WAGES.—The

1 amount of the credit determined under subsection (b)  
2 without regard to this subsection shall be reduced (but not  
3 below zero) by the sum of the following amounts:

4           “(1) Such amount multiplied by a fraction the  
5 numerator of which is the total number of full-time  
6 equivalent employees of the employer in excess of 10  
7 and the denominator of which is 15.

8           “(2) Such amount multiplied by a fraction the  
9 numerator of which is the average annual wages of  
10 the employer in excess of the dollar amount in effect  
11 under subsection (d)(3)(B) and the denominator of  
12 which is such dollar amount.

13           “(d) ELIGIBLE SMALL EMPLOYER.—For purposes of  
14 this section—

15           “(1) IN GENERAL.—The term ‘eligible small  
16 employer’ means, with respect to any taxable year,  
17 an employer—

18           “(A) which has no more than 25 full-time  
19 equivalent employees for the taxable year,

20           “(B) the average annual wages of which do  
21 not exceed an amount equal to twice the dollar  
22 amount in effect under paragraph (3)(B) for  
23 the taxable year, and

24           “(C) which has in effect an arrangement  
25 described in paragraph (4).

1           “(2) FULL-TIME EQUIVALENT EMPLOYEES.—

2                   “(A) IN GENERAL.—The term ‘full-time  
3           equivalent employees’ means a number of em-  
4           ployees equal to the number determined by di-  
5           viding—

6                           “(i) the total number of hours of serv-  
7                   ice for which wages were paid by the em-  
8                   ployer to employees during the taxable  
9                   year, by

10                           “(ii) 2,080.

11           Such number shall be rounded to the next low-  
12           est whole number if not otherwise a whole num-  
13           ber.

14                   “(B) EXCESS HOURS NOT COUNTED.—If  
15           an employee works in excess of 2,080 hours of  
16           service during any taxable year, such excess  
17           shall not be taken into account under subpara-  
18           graph (A).

19                   “(C) HOURS OF SERVICE.—The Secretary,  
20           in consultation with the Secretary of Labor,  
21           shall prescribe such regulations, rules, and  
22           guidance as may be necessary to determine the  
23           hours of service of an employee, including rules  
24           for the application of this paragraph to employ-

1           ees who are not compensated on an hourly  
2           basis.

3           “(3) AVERAGE ANNUAL WAGES.—

4                   “(A) IN GENERAL.—The average annual  
5           wages of an eligible small employer for any tax-  
6           able year is the amount determined by divid-  
7           ing—

8                           “(i) the aggregate amount of wages  
9                           which were paid by the employer to em-  
10                          ployees during the taxable year, by

11                           “(ii) the number of full-time equiva-  
12                          lent employees of the employee determined  
13                          under paragraph (2) for the taxable year.

14           Such amount shall be rounded to the next low-  
15           est multiple of \$1,000 if not otherwise such a  
16           multiple.

17                   “(B) DOLLAR AMOUNT.—For purposes of  
18           paragraph (1)(B) and subsection (c)(2), the  
19           dollar amount in effect under this paragraph is  
20           \$25,000.

21                   “(4) CONTRIBUTION ARRANGEMENT.—An ar-  
22           rangement is described in this paragraph if it re-  
23           quires an eligible small employer to make a nonelec-  
24           tive contribution on behalf of each employee who en-  
25           rolls in a health plan offered to employees by the

1 employer in an amount equal to a uniform percent-  
2 age (not less than 50 percent) of the premium cost  
3 of such plan.

4 “(5) SEASONAL WORKER HOURS AND WAGES  
5 NOT COUNTED.—For purposes of this subsection—

6 “(A) IN GENERAL.—The number of hours  
7 of service worked by, and wages paid to, a sea-  
8 sonal worker of an employer shall not be taken  
9 into account in determining the full-time equiv-  
10 alent employees and average annual wages of  
11 the employer unless the worker works for the  
12 employer on more than 120 days during the  
13 taxable year.

14 “(B) DEFINITION OF SEASONAL WORK-  
15 ER.—The term ‘seasonal worker’ means a work-  
16 er who performs labor or services on a seasonal  
17 basis as defined by the Secretary of Labor, in-  
18 cluding workers covered by section 500.20(s)(1)  
19 of title 29, Code of Federal Regulations and re-  
20 tail workers employed exclusively during holiday  
21 seasons.

22 “(e) OTHER RULES AND DEFINITIONS.—For pur-  
23 poses of this section—

24 “(1) EMPLOYEE.—

1           “(A) CERTAIN EMPLOYEES EXCLUDED.—

2           The term ‘employee’ shall not include—

3                   “(i) an employee within the meaning  
4                   of section 401(c)(1),

5                   “(ii) any 2-percent shareholder (as de-  
6                   fined in section 1372(b)) of an eligible  
7                   small business which is an S corporation,

8                   “(iii) any 5-percent owner (as defined  
9                   in section 416(i)(1)(B)(i)) of an eligible  
10                  small business, or

11                  “(iv) any individual who bears any of  
12                  the relationships described in subpara-  
13                  graphs (A) through (G) of section  
14                  152(d)(2) to, or is a dependent described  
15                  in section 152(d)(2)(H) of, an individual  
16                  described in clause (i), (ii), or (iii).

17                  “(B) LEASED EMPLOYEES.—The term  
18                  ‘employee’ shall include a leased employee with-  
19                  in the meaning of section 414(n).

20                  “(2) NONELECTIVE CONTRIBUTION.—The term  
21                  ‘nonelective contribution’ means an employer con-  
22                  tribution other than an employer contribution pursu-  
23                  ant to a salary reduction arrangement.

24                  “(3) WAGES.—The term ‘wages’ has the mean-  
25                  ing given such term by section 3121(a) (determined

1 without regard to any dollar limitation contained in  
2 such section).

3 “(4) AGGREGATION AND OTHER RULES MADE  
4 APPLICABLE.—

5 “(A) AGGREGATION RULES.—All employ-  
6 ers treated as a single employer under sub-  
7 section (b), (c), (m), or (o) of section 414 shall  
8 be treated as a single employer for purposes of  
9 this section.

10 “(B) OTHER RULES.—Rules similar to the  
11 rules of subsections (c), (d), and (e) of section  
12 52 shall apply.

13 “(f) CREDIT MADE AVAILABLE TO TAX-EXEMPT EL-  
14 IGIBLE SMALL EMPLOYERS.—

15 “(1) IN GENERAL.—In the case of a tax-exempt  
16 eligible small employer, there shall be treated as a  
17 credit allowable under subpart C (and not allowable  
18 under this subpart) the lesser of—

19 “(A) the amount of the credit determined  
20 under this section with respect to such em-  
21 ployer, or

22 “(B) the amount of the payroll taxes of the  
23 employer during the calendar year in which the  
24 taxable year begins.

1           “(2) TAX-EXEMPT ELIGIBLE SMALL EM-  
2 PLOYER.—For purposes of this section, the term  
3 ‘tax-exempt eligible small employer’ means an eligi-  
4 ble small employer which is any organization de-  
5 scribed in section 501(c) which is exempt from tax-  
6 ation under section 501(a).

7           “(3) PAYROLL TAXES.—For purposes of this  
8 subsection—

9           “(A) IN GENERAL.—The term ‘payroll  
10 taxes’ means—

11                   “(i) amounts required to be withheld  
12 from the employees of the tax-exempt eligi-  
13 ble small employer under section 3401(a),

14                   “(ii) amounts required to be withheld  
15 from such employees under section  
16 3101(b), and

17                   “(iii) amounts of the taxes imposed on  
18 the tax-exempt eligible small employer  
19 under section 3111(b).

20           “(B) SPECIAL RULE.—A rule similar to  
21 the rule of section 24(d)(2)(C) shall apply for  
22 purposes of subparagraph (A).

23           “(g) APPLICATION OF SECTION FOR CALENDAR  
24 YEARS 2010, 2011, AND 2012.—This section shall apply  
25 for any taxable year beginning in 2010, 2011, or 2012.

1       “(h) INSURANCE DEFINITIONS.—Any term used in  
2 this section which is also used in the Public Health Service  
3 Act shall have the meaning given such term by such Act.

4       “(i) REGULATIONS.—The Secretary shall prescribe  
5 such regulations as may be necessary to carry out the pro-  
6 visions of this section, including regulations to prevent the  
7 avoidance of the limitations under subsection (c) through  
8 the use of multiple entities.”.

9       (b) CREDIT TO BE PART OF GENERAL BUSINESS  
10 CREDIT.—Section 38(b) of the Internal Revenue Code of  
11 1986 (relating to current year business credit) is amended  
12 by striking “plus” at the end of paragraph (34), by strik-  
13 ing the period at the end of paragraph (35) and inserting  
14 “, plus”, and by inserting after paragraph (35) the fol-  
15 lowing:

16               “(36) the small employer health insurance cred-  
17 it determined under section 45R.”.

18       (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
19 IMUM TAX.—Section 38(c)(4)(B) of the Internal Revenue  
20 Code of 1986 (defining specified credits) is amended by  
21 redesignating clauses (vi), (vii), and (viii) as clauses (vii),  
22 (viii), and (ix), respectively, and by inserting after clause  
23 (v) the following new clause:

24               “(vi) the credit determined under sec-  
25 tion 45R.”.

1 (d) DISALLOWANCE OF DEDUCTION FOR CERTAIN  
2 EXPENSES FOR WHICH CREDIT ALLOWED.—

3 (1) IN GENERAL.—Section 280C of the Internal  
4 Revenue Code of 1986 (relating to disallowance of  
5 deduction for certain expenses for which credit al-  
6 lowed) is amended by adding at the end the fol-  
7 lowing new subsection:

8 “(g) CREDIT FOR EMPLOYEE HEALTH INSURANCE  
9 EXPENSES OF SMALL EMPLOYERS.—No deduction shall  
10 be allowed for that portion of the premiums for health in-  
11 surance coverage paid by an employer which is equal to  
12 the amount of the credit determined under section 45R(a)  
13 with respect to the premiums.”.

14 (2) DEDUCTION FOR EXPIRING CREDITS.—Sec-  
15 tion 196(c) of such Code is amended by striking  
16 “and” at the end of paragraph (12), by striking the  
17 period at the end of paragraph (13) and inserting “,  
18 and”, and by adding at the end the following new  
19 paragraph:

20 “(14) the small employer health insurance cred-  
21 it determined under section 45R(a).”.

22 (e) CLERICAL AMENDMENT.—The table of sections  
23 for subpart D of part IV of subchapter A of chapter 1  
24 of the Internal Revenue Code of 1986 is amended by add-  
25 ing at the end the following:

“Sec. 45R. Employee health insurance expenses of small employers.”.

1 (f) EFFECTIVE DATES.—

2 (1) IN GENERAL.—The amendments made by  
3 this section shall apply to amounts paid or incurred  
4 in taxable years beginning after December 31, 2009.

5 (2) MINIMUM TAX.—The amendments made by  
6 subsection (c) shall apply to credits determined  
7 under section 45R of the Internal Revenue Code of  
8 1986 in taxable years beginning after December 31,  
9 2009, and to carrybacks of such credits.

10 **SEC. 4. SURCHARGE ON HIGH INCOME INDIVIDUALS.**

11 (a) IN GENERAL.—Subchapter A of chapter 1 of the  
12 Internal Revenue Code of 1986 is amended by adding at  
13 the end the following new part:

14 **“PART VIII—SURCHARGE ON HIGH INCOME**  
15 **INDIVIDUALS**

“Sec. 59B. Surcharge on high income individuals.

16 **“SEC. 59B. SURCHARGE ON HIGH INCOME INDIVIDUALS.**

17 “(a) GENERAL RULE.—In the case of a taxpayer  
18 other than a corporation, there is hereby imposed (in addi-  
19 tion to any other tax imposed by this subtitle) a tax equal  
20 to the applicable percentage of so much of the modified  
21 adjusted gross income of the taxpayer as exceeds  
22 \$1,000,000.

23 “(b) TAXPAYERS NOT MAKING A JOINT RETURN.—  
24 In the case of any taxpayer other than a taxpayer making

1 a joint return under section 6013 or a surviving spouse  
2 (as defined in section 2(a)), subsection (a) shall be applied  
3 by substituting ‘\$500,000’ for ‘\$1,000,000’.

4 “(c) APPLICABLE PERCENTAGE.—For purposes of  
5 subsection (a), the applicable percentage for any taxable  
6 year shall be the percentage necessary to ensure that the  
7 effect of the provisions of, and amendments made by, the  
8 Boosting Entrepreneurship and New Jobs Act are and re-  
9 main budget neutral.

10 “(d) MODIFIED ADJUSTED GROSS INCOME.—For  
11 purposes of this section, the term ‘modified adjusted gross  
12 income’ means adjusted gross income reduced by any de-  
13 duction (not taken into account in determining adjusted  
14 gross income) allowed for investment interest (as defined  
15 in section 163(d)). In the case of an estate or trust, ad-  
16 justed gross income shall be determined as provided in sec-  
17 tion 67(e).

18 “(e) SPECIAL RULES.—

19 “(1) NONRESIDENT ALIEN.—In the case of a  
20 nonresident alien individual, only amounts taken  
21 into account in connection with the tax imposed  
22 under section 871(b) shall be taken into account  
23 under this section.

24 “(2) CITIZENS AND RESIDENTS LIVING  
25 ABROAD.—The dollar amount in effect under sub-

1 section (a) (after the application of subsection (b))  
 2 shall be decreased by the excess of—

3 “(A) the amounts excluded from the tax-  
 4 payer’s gross income under section 911, over

5 “(B) the amounts of any deductions or ex-  
 6 clusions disallowed under section 911(d)(6)  
 7 with respect to the amounts described in sub-  
 8 paragraph (A).

9 “(3) CHARITABLE TRUSTS.—Subsection (a)  
 10 shall not apply to a trust all the unexpired interests  
 11 in which are devoted to one or more of the purposes  
 12 described in section 170(c)(2)(B).

13 “(4) NOT TREATED AS TAX IMPOSED BY THIS  
 14 CHAPTER FOR CERTAIN PURPOSES.—The tax im-  
 15 posed under this section shall not be treated as tax  
 16 imposed by this chapter for purposes of determining  
 17 the amount of any credit under this chapter or for  
 18 purposes of section 55.”.

19 (b) CLERICAL AMENDMENT.—The table of parts for  
 20 subchapter A of chapter 1 of the Internal Revenue Code  
 21 of 1986 is amended by adding at the end the following  
 22 new item:

“PART VIII. SURCHARGE ON HIGH INCOME INDIVIDUALS.”.

23 (c) SECTION 15 NOT TO APPLY.—The amendment  
 24 made by subsection (a) shall not be treated as a change

1 in a rate of tax for purposes of section 15 of the Internal  
2 Revenue Code of 1986.

3 (d) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2009.

6 **SEC. 5. DIRECT LOANS TO SMALL BUSINESS CONCERNS.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “Administrator” means the Ad-  
9 ministrator of the Small Business Administration;

10 (2) the term “eligible small business concern”  
11 means a small business concern with fewer than 25  
12 employees;

13 (3) the term “Secretary” means the Secretary  
14 of the Treasury; and

15 (4) the term “small business concern” has the  
16 meaning given that term under section 3 of the  
17 Small Business Act (15 U.S.C. 632).

18 (b) LOAN PROGRAM ESTABLISHED.—The Adminis-  
19 trator and the Secretary shall jointly establish a program  
20 to make loans to eligible small business concerns.

21 (c) TERMS AND CONDITIONS.—A loan under this sec-  
22 tion shall have the same terms and conditions as, and may  
23 be used for any purpose authorized for, a direct loan under  
24 section 7(a) of the Small Business Act (15 U.S.C. 636(a)),  
25 as amended by this Act.

1 (d) FUNDING.—Of amounts made available under  
 2 section 115 of the Emergency Economic Stabilization Act  
 3 of 2008 (12 U.S.C. 5225) and not otherwise obligated,  
 4 \$30,000,000,000, shall be available to the Administrator  
 5 and the Secretary to carry out this section.

6 **SEC. 6. EXTRAMURAL RESEARCH AND DEVELOPMENT**  
 7 **BUDGET OF THE NATIONAL INSTITUTES OF**  
 8 **HEALTH.**

9 Title VIII of division A of the American Recovery and  
 10 Reinvestment Act of 2009 (Public Law 111–5; 123 Stat.  
 11 176) is amended in the matter under the heading “OFFICE  
 12 OF THE DIRECTOR” under the heading “NATIONAL INSTI-  
 13 TUTES OF HEALTH” under the heading “DEPARTMENT  
 14 OF HEALTH AND HUMAN SERVICES”, by inserting  
 15 after “638(n)(1):” the following: “*Provided further*, That  
 16 not later than September 30, 2010, of the amount appro-  
 17 priated under this heading, \$150,000,000 shall be obli-  
 18 gated to be expended with the programs of the National  
 19 Institutes of Health described in the previous proviso:”.

20 **SEC. 7. SECTION 7(a) BUSINESS LOANS.**

21 Section 7(a) of the Small Business Act (15 U.S.C.  
 22 636(a)) is amended—

23 (1) in paragraph (2)(A), by striking “equal  
 24 to—” and all that follows and inserting equal to “90

1 percent of the balance of the financing outstanding  
2 at the time of the disbursement of the loan.”; and

3 (2) in paragraph (3)(A), by striking  
4 “\$1,500,000 (or if the gross loan amount would ex-  
5 ceed \$2,000,000” and inserting “\$4,500,000 (or if  
6 the gross loan amount would exceed \$5,000,000”.

7 **SEC. 8. MICROLOAN PROGRAM.**

8 (a) **MARKETING, MANAGEMENT, AND TECHNICAL**  
9 **ASSISTANCE GRANTS.**—Section 7(m)(4) of the Small  
10 Business Act (15 U.S.C. 636(m)(4)) is amended—

11 (1) in subparagraph (A)—

12 (A) in the first sentence, by striking “and  
13 subject to subparagraph (B)”; and

14 (B) in the second sentence—

15 (i) by striking “each intermediary  
16 meeting the requirements of subparagraph  
17 (B)” and inserting “an intermediary”; and

18 (ii) by striking “25 percent” and in-  
19 serting “50 percent”;

20 (2) by striking subparagraph (B); and

21 (3) by striking subparagraph (C)(iii).

22 (b) **MICROLOAN AMOUNTS.**—Section 7(m) of the  
23 Small Business Act (15 U.S.C. 636(m)) is amended—

24 (1) in paragraph (1)(B)(iii), by striking  
25 “\$35,000” and inserting “\$50,000”;



1 responsibility to bolster the economy of the United  
2 States by providing needed capital to small business  
3 concerns; and

4 (2) well-capitalized banks, which have returned  
5 to profitability and have the resources to increase  
6 access to capital, should adapt their lending prac-  
7 tices to ensure that qualified small business concerns  
8 can grow and the economy of the United States can  
9 continue to recover.

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